

Jill Book
Educational Consultant
Discovery Toys

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Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as a consultant with Discovery Toys. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell these wonderful educational toys.

I have been a consultant with Discovery Toys for right at a year now. Originally, I became a consultant in my company because I was excited about the exceptional products that Discovery Toys has to offer. It also offered me a way to contribute to my family's financial outlook while staying at home with my three children: Bailee, age 5; Kobe, age 3; and Kevin, age 3. I find the flexibility to plan my work schedule around play dates, doctor's appointments, and other important activities vital to my current family situation. Finally, Discovery Toys offers me a social outlet where I am able to meet other adults with similar interests and share with them one of my passions...educational toys. For my family and myself, Discovery Toys has been an outstanding company to work with.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new consultants. I understand the conceptual reasons for this waiting period... to protect buyers from high pressure sales tactics that often lead to impulse purchases. However, I feel that Discovery Toys has already addressed this issue in two ways. First, Discovery Toys offers a 3-day remorse period, during which a full refund is issued should the new consultant change his/her mind. Secondly, Discovery Toys also has a 90% buyback policy for sales kits purchased by a consultant within the previous 12 months. With these two policies in place, Discovery Toys has already addressed the concerns which a 7 day waiting period is geared towards. Perhaps, as an alternative to the currently proposed rule, the FTC should pattern a new rule requiring other companies to offer the same types of policies with Discovery Toys has already implemented.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. While I agree the outcome of lawsuits in which a company has been found guilty should obviously be released to consumers, the current wording would also require disclosure of lawsuits for which the company was found innocent. The current wording would hold the company responsible for all lawsuits filed against them, regardless of the outcome. In essence, it removes the innocent until proven guilty fail-safe that our judicial system has been based on for ages. This certainly seems unreasonable and unfair to me.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to Discovery Toys headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are **very** concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met. Imagine how many stay at home moms who are running a legitimate business will be exposed to any financial predator who inquires about starting their own business! The idea is absolutely scary!

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,

Jill Book
Discovery Toys Educational Consultant